

February 21, 2019

CALIFORNIA CATTLE COUNCIL IMPLEMENTATION REFERENDUM (VOTING PERIOD ENDS MARCH 22, 2019)

TO ALL CALIFORNIA CATTLE PRODUCERS:

The California Department of Food and Agriculture (Department) is conducting a referendum of California cattle producers to determine if the proposed California Cattle Council (Council) should become operative. The statutory authority for this proposed program is the California Cattle Council Law (reference Chapter 2.5 of Part 2, Division 22 of the California Food and Agricultural Code), which was enacted into law on January 1, 2019 by SB 965. Enclosed with this cover letter are a referendum ballot and a postage-paid return envelope. All eligible producers are entitled and encouraged to vote.

OVERVIEW OF PROPOSED CALIFORNIA CATTLE COUNCIL: An overview of the proposed Council is presented below. More information about the Council and this referendum, including Frequently Asked Questions and the complete Council Law, can be found at: <u>www.cdfa.ca.gov/go/cattle</u>.

If implemented:

- The Council would be authorized to:
 - Carry out research related to California cattle production, improving industry efficiency and sustainability, the development of management practices, assistance with regulatory compliance, and the nutritional qualities of California beef and other products derived from the California cattle industry.
 - Monitor public consumption patterns and trends related to California beef and other products derived from the California cattle industry.
 - Develop consumer sales and educational programs designed to increase the use and consumption of California beef and other products derived from the California cattle industry.
 - Present facts to local, State, federal, and foreign agencies on matters that affect the California cattle industry and the production of California beef and dairy cattle, beef, and other products derived from the California cattle industry.
- The Council would be funded by a mandatory \$1 per head assessment on each sale of cattle and calves, levied on the seller. However, producers would be able to obtain a refund of assessments paid by submitting a claim to the Council. The assessment would not be charged on: 1) hides, skins, or the offal of animals, 2) cattle and calves transported for purposes other than sale or harvest and without a change in ownership, 3) cattle and calves harvested for personal use, or 4) cattle and calves weighing less than 200 pounds.

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- The operations of the Council would be directed by 11 members and 11 alternates appointed by the Department, consisting of 3 range cattle producers, 3 cattle feeders, 3 dairy producers, 1 processor, and 1 public member. Appointments to the Council would be based on industry nominations and would reflect the diversity of California's cattle industry.
- The day-to-day operations of the Council would be carried out by a staff to be hired or contracted with by the Council.
- The Department would conduct a public hearing every fifth year to determine if the Council should continue in operation.

VOTING REQUIREMENTS FOR IMPLEMENTATION: In order for the Council to become operative, a majority of producers participating in the referendum must vote in favor of implementation.

VOTER ELIGIBILITY: The Council Law defines a producer as a person who owns or acquires ownership of beef or dairy cattle, and who, upon request, provides proof of ownership of cattle. A person is not a producer if the person's only share in the proceeds of the sale of cattle or beef is a sales commission, handling fee, or other service fee.

VOTING / COMPLETION OF THE BALLOT: If you are an eligible producer as defined, please complete all sections of the ballot and return it to the Department in the enclosed return envelope (no postage required). If you are not an eligible producer, please indicate this by checking the appropriate box in the upper right corner of the ballot and return it in the envelope provided.

VOTING PERIOD: In order for your ballot to be counted, all applicable portions of the ballot must be completed. In addition, the ballot must be postmarked or otherwise received by this office no later than **Friday, March 22, 2019**.

REFERENDUM RESULTS: A summary of the referendum results will be announced following tabulation of the ballots. All individual ballots will be kept confidential.

If the Council is approved in the referendum, a board of directors for the Council would be formed based on nominations submitted to the Department. Once appointed, the board would begin meeting to plan activities for its first fiscal year, including adopting an operating budget for the year. If the Council is not approved in the referendum, it will not become operative at this time.

Please contact Ben Kardokus with the Department's Marketing Branch at (916) 900-5018 or by email at <u>ben.kardokus@cdfa.ca.gov</u> if you have questions regarding this referendum or the proposed Council.

Sincerely,

Robert Mafie

Robert Maxie, Chief Marketing Branch

Enclosures